

Illinois-American Water Company
Total Company
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case	Company Surebuttal Adjustment	Interest Synchronization		Company Surebuttal Case
		Pro Forma Adjusted (Co. Ex. 6.01 R1)	U. S. Steel Revenue (IAWC Ex. 6.02 SR)	Staff Rebuttal (Appendix A Sch. 5)	Company Surebuttal (IAWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Tariff Revenue	\$ 175,960,149	\$ 1,702,681	\$ -	\$ -	\$ 177,662,830
2	Other Revenue	3,630,209	-	-	-	3,630,209
3	Total Operating Revenue	179,590,358	1,702,681	-	-	181,293,039
4	Uncollectible Accounts Expense	2,247,844	-	-	-	2,247,844
5	Labor	24,471,164	-	-	-	24,471,164
6	Fuel & Power	8,839,819	199,490	-	-	9,039,309
7	Chemicals	7,557,411	207,633	-	-	7,765,044
8	Waste Disposal	1,493,390	-	-	-	1,493,390
9	Management Fees	21,136,057	-	-	-	21,136,057
10	Group Insurance	6,683,717	-	-	-	6,683,717
11	Pensions	4,200,614	-	-	-	4,200,614
12	Regulatory Expense	1,340,547	-	-	-	1,340,547
13	Insurance - other	3,721,452	-	-	-	3,721,452
14	Customer Accounting	2,610,745	20,432	-	-	2,631,177
15	Rents	1,183,927	-	-	-	1,183,927
16	General Office Expense	2,384,290	-	-	-	2,384,290
17	Maintenance - other	8,738,614	-	-	-	8,738,614
18	Miscellaneous	9,550,691	-	-	-	9,550,691
19	Depreciation & Amortization	39,431,443	-	-	-	39,431,443
20	Taxes other than Income	12,642,580	-	-	-	12,642,580
21	Total Operating Expense					
22	Before Income Taxes	158,234,304	427,555	-	-	158,661,859
23	State Income Tax	155,249	52,369	18,954	(18,563)	208,009
24	Federal Income Tax	3,489,358	427,965	154,902	(151,701)	3,920,524
25	Deferred Taxes and ITCs Net	(2,854,854)	-	-	-	(2,854,854)
26	Total Operating Expenses	159,024,057	907,889	173,856	(170,264)	159,935,538
27	NET OPERATING INCOME	\$ 20,566,301	\$ 794,792	\$ (173,856)	\$ 170,264	\$ 21,357,501

Illinois-American Water Company
Total Company
Adjustments to Operating Income
For the Test Year Ending December 31, 2010

Sum of schedules for: Zone 1 "Z1", Chicago Metro Water "CMW", Chicago Metro Sewer "CMS", Pekin "P" & Lincoln "L"									
Line No.	Description	Interest Synchronization (Appendix A Sch. 5)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts Expense	-	-	-	-	-	-	-	-
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	-	-	-	-	-	-	-	-
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	-	-	-	-	-	-	-	-
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	-	(62,000)	-	-	-	-	-	(62,000)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	-	-	-	-	-	-	-	-
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense	-	-	-	-	-	-	-	-
22	Before Income Taxes	-	(62,000)	-	-	-	-	-	(62,000)
23	State Income Tax	10,232	2,545	-	-	-	-	-	12,777
24	Federal Income Tax	83,618	20,810	-	-	-	-	-	104,428
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
26	Total Operating Expenses	93,850	(38,645)	-	-	-	-	-	55,205
27	NET OPERATING INCOME	\$ (93,850)	\$ 38,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (55,205)

Illinois-American Water Company
Total Company
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company	Staff	Staff
		Surrebuttal Case		
		Pro Forma	Adjustments	Pro Forma
		(Appendix A,	(Appendix A	Rate Base
		Sch 3, p. 2)	Sch 4-Total)	(Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 1,224,750,066	\$ -	\$ 1,224,750,066
2	Less: Accumulated Depreciation	(425,875,448)	-	(425,875,448)
3	Net Utility Plant in Service	798,874,618	-	798,874,618
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Utility Plant Acquisition Adj. - DuPage	154,534	-	154,534
6	Additions to Rate Base			
7	Cash Working Capital	5,064,000	82,000	5,146,000
8	Materials & Supplies	3,002,240	-	3,002,240
9	Deferred Charges - Tank Painting	10,228,877	-	10,228,877
10	FAS 109 Reg. Asset-Net of Liability	(99,840)	-	(99,840)
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	Deductions From Rate Base	-		
16	Customer Advances	(80,966,272)	-	(80,966,272)
17	Pension Liability	(3,772,986)	-	(3,772,986)
18	OPEB Liability	(2,165,869)	-	(2,165,869)
19	Contributions in Aid of Construction	(138,948,076)	-	(138,948,076)
20	Accum. Depr. On CIAC	57,677,723	-	57,677,723
21	Budget Payment Plan	(11,623)	-	(11,623)
22	Deferred Federal Income Taxes	(34,751,610)	-	(34,751,610)
23	Deferred State Income Taxes	(1,205,401)	-	(1,205,401)
24	Investment Tax Credit - pre 1971	(3,715)	-	(3,715)
25	Rate Base	<u>\$ 613,076,601</u>	<u>\$ 82,000</u>	<u>\$ 613,158,601</u>

Illinois-American Water Company
Total Company
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)	Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 1,224,750,066	\$ -	\$ 1,224,750,066
2	Less: Accumulated Depreciation	(425,875,448)	-	(425,875,448)
3	Net Utility Plant in Service	798,874,618	-	798,874,618
4	Construction Work in Progress	\$ -	-	\$ -
5	Utility Plant Acquisition Adj. - DuPage	154,534	-	154,534
6	Additions to Rate Base			
7	Cash Working Capital	4,689,000	375,000	5,064,000
8	Materials & Supplies	3,002,240	-	3,002,240
9	Deferred Charges - Tank Painting	10,228,877	-	10,228,877
10	FAS 109 Reg. Asset-Net of Liability	(99,840)	-	(99,840)
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	Deductions From Rate Base			
16	Customer Advances	(80,966,272)	-	(80,966,272)
17	Pension Liability	(3,772,986)	-	(3,772,986)
18	OPEB Liability	(2,165,869)	-	(2,165,869)
19	Contributions in Aid of Construction	(138,948,076)	-	(138,948,076)
20	Accum. Depr. On CIAC	57,677,723	-	57,677,723
21	Budget Payment Plan	(11,623)	-	(11,623)
22	Deferred Federal Income Taxes	(34,751,610)	-	(34,751,610)
23	Deferred State Income Taxes	(1,205,401)	-	(1,205,401)
24	Investment Tax Credit - pre 1971	(3,715)	-	(3,715)
25	Rate Base	<u>\$ 612,701,601</u>	<u>\$ 375,000</u>	<u>\$ 613,076,601</u>

Illinois-American Water Company
Total Company
Adjustments to Rate Base
For the Test Year Ending December 31, 2010

Sum of schedules for: Zone 1 "Z1", Chicago Metro Water "CMW", Chicago Metro Sewer "CMS", Pekin "P" & Lincoln "L"									
Line No.	Description	Cash Working Capital (Appendix A Sch. 7)	(Source)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(e)	(f)	(f)	(g)	(h)	(i)
1	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Less: Accumulated Depreciation	-	-	-	-	-	-	-	-
3	Net Utility Plant in Service	-	-	-	-	-	-	-	-
4	Construction Work in Progress	-	-	-	-	-	-	-	-
5	Utility Plant Acquisition Adj. - DuPage	-	-	-	-	-	-	-	-
6	Additions to Rate Base								
7	Cash Working Capital	82,000	-	-	-	-	-	-	82,000
8	Materials & Supplies	-	-	-	-	-	-	-	-
9	Deferred Charges - Tank Painting	-	-	-	-	-	-	-	-
10	FAS 109 Reg. Asset-Net of Liability	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	Deductions From Rate Base	-	-	-	-	-	-	-	-
16	Customer Advances	-	-	-	-	-	-	-	-
17	Pension Liability	-	-	-	-	-	-	-	-
18	OPEB Liability	-	-	-	-	-	-	-	-
19	Contributions in Aid of Construction	-	-	-	-	-	-	-	-
20	Accum. Depr. On CIAC	-	-	-	-	-	-	-	-
21	Budget Payment Plan	-	-	-	-	-	-	-	-
22	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
23	Deferred State Income Taxes	-	-	-	-	-	-	-	-
24	Investment Tax Credit - pre 1971	-	-	-	-	-	-	-	-
25	Rate Base	\$ 82,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,000

Illinois-American Water Company
Zone 1
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case	Company Surebuttal Adjustment	Interest Synchronization		Company Surebuttal Case
		Pro Forma Adjusted (Co. Ex. 6.01 R1)	U. S. Steel Revenue (IAWC Ex. 6.02 SR)	Staff Rebuttal (Appendix A Sch. 5-Z1)	Company Surebuttal (IAWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Tariff Revenue	\$ 130,691,510	\$ 1,702,681	\$ -	\$ -	\$ 132,394,191
2	Other Revenue	2,142,198	-	-	-	2,142,198
3	Total Operating Revenue	132,833,708	1,702,681	-	-	134,536,389
4	Uncollectible Accounts Expense	1,476,241	-	-	-	1,476,241
5	Labor	18,434,289	-	-	-	18,434,289
6	Fuel & Power	7,079,807	199,490	-	-	7,279,297
7	Chemicals	7,368,784	207,633	-	-	7,576,417
8	Waste Disposal	996,132	-	-	-	996,132
9	Management Fees	16,304,347	-	-	-	16,304,347
10	Group Insurance	5,103,169	-	-	-	5,103,169
11	Pensions	3,235,530	-	-	-	3,235,530
12	Regulatory Expense	1,034,099	-	-	-	1,034,099
13	Insurance - other	2,871,701	-	-	-	2,871,701
14	Customer Accounting	2,050,444	20,432	-	-	2,070,876
15	Rents	603,659	-	-	-	603,659
16	General Office Expense	1,516,790	-	-	-	1,516,790
17	Maintenance - other	5,834,843	-	-	-	5,834,843
18	Miscellaneous	6,715,565	-	-	-	6,715,565
19	Depreciation & Amortization	27,861,507	-	-	-	27,861,507
20	Taxes other than Income	9,732,351	-	-	-	9,732,351
21	Total Operating Expense					
22	Before Income Taxes	118,219,258	427,555	-	-	118,646,813
23	State Income Tax	98,708	52,369	8,185	(8,534)	150,728
24	Federal Income Tax	2,511,273	427,965	66,890	(69,743)	2,936,385
25	Deferred Taxes and ITCs Net	(2,202,233)	-	-	-	(2,202,233)
26	Total Operating Expenses	118,627,006	907,889	75,075	(78,277)	119,531,693
27	NET OPERATING INCOME	\$ 14,206,702	\$ 794,792	\$ (75,075)	\$ 78,277	\$ 15,004,696

Illinois-American Water Company
Zone 1
Adjustments to Operating Income
For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-Z1)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts Expense	-	-	-	-	-	-	-	-
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	-	-	-	-	-	-	-	-
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	-	-	-	-	-	-	-	-
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	-	(48,000)	-	-	-	-	-	(48,000)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	-	-	-	-	-	-	-	-
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense	-	-	-	-	-	-	-	-
22	Before Income Taxes	-	(48,000)	-	-	-	-	-	(48,000)
23	State Income Tax	3,894	1,971	-	-	-	-	-	5,865
24	Federal Income Tax	31,825	16,110	-	-	-	-	-	47,935
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
26	Total Operating Expenses	35,719	(29,919)	-	-	-	-	-	5,800
27	NET OPERATING INCOME	\$ (35,719)	\$ 29,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,800)

Illinois-American Water Company
Zone 1
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case Pro Forma Present Adjusted (Appendix A, Sch 3-Z1, p. 2)	Staff Adjustments (Appendix A Sch 4-Z1)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 819,265,902	\$ -	\$ 819,265,902
2	Less: Accumulated Depreciation	(279,262,964)	-	(279,262,964)
3	Net Utility Plant in Service	540,002,938	-	540,002,938
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Utility Plant Acquisition Adj. - DuPage	-	-	-
6	Additions to Rate Base			
7	Cash Working Capital	2,660,000	75,000	2,735,000
8	Materials & Supplies	2,670,964	-	2,670,964
9	Deferred Charges - Tank Painting	7,006,640	-	7,006,640
10	FAS 109 Reg. Asset-Net of Liability	(77,017)	-	(77,017)
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(52,061,456)	-	(52,061,456)
17	Pension Liability	(2,904,726)	-	(2,904,726)
18	OPEB Liability	(1,670,750)	-	(1,670,750)
19	Contributions in Aid of Construction	(45,880,407)	-	(45,880,407)
20	Accum. Depr. On CIAC	15,757,468	-	15,757,468
21	Budget Payment Plan	(11,623)	-	(11,623)
22	Deferred Federal Income Taxes	(23,099,400)	-	(23,099,400)
23	Deferred State Income Taxes	(801,230)	-	(801,230)
24	Investment Tax Credit - pre 1971	(2,865)	-	(2,865)
25	Rate Base	<u>\$ 441,588,536</u>	<u>\$ 75,000</u>	<u>\$ 441,663,536</u>

Illinois-American Water Company
Zone 1
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)	Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 819,265,902	\$ -	\$ 819,265,902
2	Less: Accumulated Depreciation	(279,262,964)	-	(279,262,964)
3	Net Utility Plant in Service	540,002,938	-	540,002,938
4	Construction Work in Progress	\$ -	-	\$ -
5	Utility Plant Acquisition Adj. - DuPage	-	-	-
6	Additions to Rate Base			
7	Cash Working Capital	2,396,000	264,000	2,660,000
8	Materials & Supplies	2,670,964	-	2,670,964
9	Deferred Charges - Tank Painting	7,006,640	-	7,006,640
10	FAS 109 Reg. Asset-Net of Liability	(77,017)	-	(77,017)
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(52,061,456)	-	(52,061,456)
17	Pension Liability	(2,904,726)	-	(2,904,726)
18	OPEB Liability	(1,670,750)	-	(1,670,750)
19	Contributions in Aid of Construction	(45,880,407)	-	(45,880,407)
20	Accum. Depr. On CIAC	15,757,468	-	15,757,468
21	Budget Payment Plan	(11,623)	-	(11,623)
22	Deferred Federal Income Taxes	(23,099,400)	-	(23,099,400)
23	Deferred State Income Taxes	(801,230)	-	(801,230)
24	Investment Tax Credit - pre 1971	(2,865)	-	(2,865)
25	Rate Base	<u>\$ 441,324,536</u>	<u>\$ 264,000</u>	<u>\$ 441,588,536</u>

Illinois-American Water Company
Zone 1
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2010

Line No.	Description	Amount
	(a)	(b)
1	Gross Utility Plant in Service	\$ 441,663,536 (1)
2	Weighted Cost of Debt	3.20% (2)
3	Synchronized Interest Per Staff	14,124,329
4	Company Interest Expense	<u>14,219,151 (3)</u>
5	Increase (Decrease) in Interest Expense	<u>(94,822)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 4.107%	<u>\$ 3,894</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 31,825</u>

(1) Source: Appendix A, Sch 3-Z1 Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

Illinois-American Water Company
Zone 1
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	<u>0.012000</u>	
3	State Taxable Income		0.988000	1.000000
4	State Income Tax	4.1070%	<u>0.040577</u>	<u>0.041070</u>
5	Federal Taxable Income		0.947423	0.958930
6	Federal Income Tax	35.0000%	<u>0.331598</u>	<u>0.335626</u>
7	Operating Income		<u>0.615825</u>	<u>0.623304</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

Illinois-American Water Company
Zone 1
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount ⁽¹⁾	Average Daily Amount (C)/365 (D)	Expense (Lead)/Lag ⁽²⁾ (E)	Cash Requirement (D)*(E) (F)	Source (G)
(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Revenue	\$ 169,786,501				Appendix A, Sch 7-Z1, page 2, line 3
2	Return on Equity	(22,295,599)				Appendix A, Sch 7-Z1, page 2, line 19
3	Non-cash OPEB expenses	-				
4	Uncollectible Accounts	(1,893,738)				
5	Total Depr/Amortization	(29,643,792)				Appendix A, Sch 7-Z1, page 2, line 13
6						
7	Net Revenues	<u>\$ 115,953,372</u>	\$ 317,680	45.97	\$ 14,602,661	
8						
9	Labor	\$ 18,434,289	50,505	(12.00)	(606,061)	
10	Fuel and Power	7,279,297	19,943	(27.02)	(538,867)	
11	Chemicals	7,576,417	20,757	(25.51)	(529,519)	
12	Purchased Water	458,826	1,257	(7.83)	(9,843)	Co. Sch. C-2.9, line 1
13	Waste Disposal	996,132	2,729	(28.74)	(78,432)	
14	Service Company Charges	16,304,347	44,669	11.08	494,937	
15	Group Insurance	5,103,169	13,981	7.42	103,692	
16	OPEB's	-	-	-	-	
17	Pensions	3,235,530	8,864	(8.00)	(70,916)	
18	Insurance Other than Group	2,871,701	7,868	0.00	-	
19	Customer Accounting	2,070,876	5,674	(33.59)	(190,577)	
20	Rents	603,659	1,654	8.00	13,223	
21	General Office	1,516,790	4,156	(17.04)	(70,811)	
22	Maintenance	5,038,657	13,805	(24.61)	(339,730)	Appendix A, Sch 7-Z1, page 2, line 16
23	Miscellaneous	6,715,565	18,399	(16.82)	(309,509)	
24						
25	Total O&M Expenses	<u>\$ 78,205,255</u>			(2,132,412)	
26						
27	General Taxes	9,732,351	26,664	(151.67)	(4,044,125)	
28	Federal Income Tax - Current	14,521,035	39,784	(52.46)	(2,087,051)	
29	State Income Tax - Current	1,568,340	4,297	(52.45)	(225,368)	
30	Deferred Income Taxes	(2,202,233)	(6,034)	-	-	
31	Interest Expense	14,124,329	38,697	(87.30)	(3,378,230)	Appendix A, Sch 5-Z1, line 3
32						
33	Subtotal Other Expenses	<u>\$ 37,743,822</u>			(9,734,774)	
34						
35	Total Cash Working Capital Requirement				<u>\$ 2,735,475</u>	Line 7 + Line 25 + Line 33
36						
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$ 2,735,000				Line 35
38	Cash Working Capital per Company	2,660,000				IAWC Ex. 6.09SR
39						
40	Staff Proposed adjustment	<u>\$ 75,000</u>				

Source:

- (1) Appendix A, Sch 1-Z1, except where noted.
(2) IAWC Ex. 6.09SR, except where noted.

Illinois-American Water Company
Zone 1
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount	Source
(A)	(B)	(C)	(D)
1	Total operating revenue	\$ 169,327,675	Appendix A, Sch 1-Z1, line 3, column (i)
2	Surcharge revenue	458,826	Co. Sch. C-2.9, line 1
3	Total revenue	<u>\$ 169,786,501</u>	Line 1 + Line 2
4			
5			
6			
7			
8			
9			
10	Depr/amortization per Income Statement	\$ 27,861,507	Appendix A, Sch1-Z1, line 19, column (i)
11	Amortization of rate case expense	986,099	Appendix A, Sch1-Z1, line 12, column (i)
12	Reclassify amortization of tank painting	796,186	IAWC Ex. 6.14 R1
13	Total depr/amortization for CWC	<u>\$ 29,643,792</u>	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$ 5,834,843	Appendix A, Sch1-Z1, line 17, column (i)
15	Reclassify amortization of tank painting	796,186	Line 12
16	Total Maintenance-other for CWC	<u>\$ 5,038,657</u>	Line 14 - Line 15
17	Total Rate Base	\$ 441,663,536	Appendix A, Sch1-Z1, line 29, column (i)
18	Weighted Cost of Capital	5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	<u>\$ 22,295,599</u>	Line 17 * Line 18

Illinois-American Water Company
Chicago Metro - Water
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case	Company Surebuttal Adjustment	Interest Synchronization		Company Surrebuttal Case
		Pro Forma Adjusted (Co. Ex. 6.01 R1)	(Not Applicable)	Staff Rebuttal (Appendix A Sch. 5-CMW)	Company Surrebuttal (IAWC Ex. 6.02 SR)	Pro Forma Adjusted (Co. Ex. 6.01 SR)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Tariff Revenue	\$ 25,950,448	\$ -	\$ -	\$ -	\$ 25,950,448
2	Other Revenue	859,679	-	-	-	859,679
3	Total Operating Revenue	26,810,127	-	-	-	26,810,127
4	Uncollectible Accounts Expense	546,529	-	-	-	546,529
5	Labor	4,014,995	-	-	-	4,014,995
6	Fuel & Power	310,974	-	-	-	310,974
7	Chemicals	28,326	-	-	-	28,326
8	Waste Disposal	-	-	-	-	-
9	Management Fees	3,342,187	-	-	-	3,342,187
10	Group Insurance	1,086,785	-	-	-	1,086,785
11	Pensions	647,841	-	-	-	647,841
12	Regulatory Expense	124,787	-	-	-	124,787
13	Insurance - other	345,493	-	-	-	345,493
14	Customer Accounting	372,221	-	-	-	372,221
15	Rents	554,394	-	-	-	554,394
16	General Office Expense	509,813	-	-	-	509,813
17	Maintenance - other	2,143,921	-	-	-	2,143,921
18	Miscellaneous	1,588,791	-	-	-	1,588,791
19	Depreciation & Amortization	6,264,777	-	-	-	6,264,777
20	Taxes other than Income	1,729,358	-	-	-	1,729,358
21	Total Operating Expense					
22	Before Income Taxes	23,611,192	-	-	-	23,611,192
23	State Income Tax	4,653	-	3,661	(3,756)	4,558
24	Federal Income Tax	241,770	-	29,918	(30,695)	240,993
25	Deferred Taxes and ITCs Net	(265,750)	-	-	-	(265,750)
26	Total Operating Expenses	23,591,865	-	33,579	(34,451)	23,590,993
27	NET OPERATING INCOME	\$ 3,218,262	\$ (38,719)	\$ (415,258)	\$ (8,343)	\$ 3,219,134

Illinois-American Water Company
Chicago Metro - Water
Adjustments to Operating Income
For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-CMW)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts Expense	-	-	-	-	-	-	-	-
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	-	-	-	-	-	-	-	-
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	-	-	-	-	-	-	-	-
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	-	(6,000)	-	-	-	-	-	(6,000)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	-	-	-	-	-	-	-	-
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense	-	-	-	-	-	-	-	-
22	Before Income Taxes	-	(6,000)	-	-	-	-	-	(6,000)
23	State Income Tax	898	246	-	-	-	-	-	1,144
24	Federal Income Tax	7,338	2,014	-	-	-	-	-	9,352
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
26	Total Operating Expenses	8,236	(3,740)	-	-	-	-	-	4,496
27	NET OPERATING INCOME	\$ (8,236)	\$ 3,740	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,496)

Illinois-American Water Company
Chicago Metro - Water
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case		Staff Adjustments (Appendix A Sch 4-CMW)	Staff Pro Forma Rate Base (Col. b+c)
		Present	Adjusted (Appendix A, Sch 3-CMW, p. 2)		
	(a)	(b)	(c)	(d)	
1	Gross Utility Plant in Service	\$	220,089,836	\$ -	\$ 220,089,836
2	Less: Accumulated Depreciation		(74,355,599)	-	(74,355,599)
3	Net Utility Plant in Service		145,734,237	-	145,734,237
4	Construction Work in Progress	\$	-	\$ -	\$ -
5	Utility Plant Acquisition Adj. - DuPage		90,972	-	90,972
6	Additions to Rate Base				
7	Cash Working Capital		1,933,000	5,000	1,938,000
8	Materials & Supplies		152,706	-	152,706
9	Deferred Charges - Tank Painting		2,658,010	-	2,658,010
10	FAS 109 Reg. Asset-Net of Liability		(9,294)	-	(9,294)
11		-	-	-	-
12		-	-	-	-
13		-	-	-	-
14		-	-	-	-
15	Deductions From Rate Base		-	-	-
16	Customer Advances		(25,046,981)	-	(25,046,981)
17	Pension Liability		(584,102)	-	(584,102)
18	OPEB Liability		(201,614)	-	(201,614)
19	Contributions in Aid of Construction		(31,943,442)	-	(31,943,442)
20	Accum. Depr. On CIAC		13,873,964	-	13,873,964
21	Budget Payment Plan		-	-	-
22	Deferred Federal Income Taxes		(6,407,451)	-	(6,407,451)
23	Deferred State Income Taxes		(222,250)	-	(222,250)
24	Investment Tax Credit - pre 1971		(346)	-	(346)
25	Rate Base	\$	<u>100,027,409</u>	\$ <u>5,000</u>	\$ <u>100,032,409</u>

Illinois-American Water Company
Chicago Metro - Water
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)	Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 220,089,836	\$ -	\$ 220,089,836
2	Less: Accumulated Depreciation	(74,355,599)	-	(74,355,599)
3	Net Utility Plant in Service	145,734,237	-	145,734,237
4	Construction Work in Progress	\$ -	-	\$ -
5	Utility Plant Acquisition Adj. - DuPage	90,972	-	90,972
6	Additions to Rate Base			
7	Cash Working Capital	1,861,000	72,000	1,933,000
8	Materials & Supplies	152,706	-	152,706
9	Deferred Charges - Tank Painting	2,658,010	-	2,658,010
10	FAS 109 Reg. Asset-Net of Liability	(9,294)	-	(9,294)
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(25,046,981)	-	(25,046,981)
17	Pension Liability	(584,102)	-	(584,102)
18	OPEB Liability	(201,614)	-	(201,614)
19	Contributions in Aid of Construction	(31,943,442)	-	(31,943,442)
20	Accum. Depr. On CIAC	13,873,964	-	13,873,964
21	Budget Payment Plan	-	-	-
22	Deferred Federal Income Taxes	(6,407,451)	-	(6,407,451)
23	Deferred State Income Taxes	(222,250)	-	(222,250)
24	Investment Tax Credit - pre 1971	(346)	-	(346)
25	Rate Base	<u>\$ 99,955,409</u>	<u>\$ 72,000</u>	<u>\$ 100,027,409</u>

Illinois-American Water Company
Chicago Metro - Water
Adjustments to Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Cash Working Capital (Appendix A Sch. 7-CMW)	(Source)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Less: Accumulated Depreciation	-	-	-	-	-	-	-	-
3	Net Utility Plant in Service	-	-	-	-	-	-	-	-
4	Construction Work in Progress	-	-	-	-	-	-	-	-
5	Utility Plant Acquisition Adj. - DuPage	-	-	-	-	-	-	-	-
6	Additions to Rate Base								
7	Cash Working Capital	5,000	-	-	-	-	-	-	5,000
8	Materials & Supplies	-	-	-	-	-	-	-	-
9	Deferred Charges - Tank Painting	-	-	-	-	-	-	-	-
10	FAS 109 Reg. Asset-Net of Liability	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	Deductions From Rate Base	-	-	-	-	-	-	-	-
16	Customer Advances	-	-	-	-	-	-	-	-
17	Pension Liability	-	-	-	-	-	-	-	-
18	OPEB Liability	-	-	-	-	-	-	-	-
19	Contributions in Aid of Construction	-	-	-	-	-	-	-	-
20	Accum. Depr. On CIAC	-	-	-	-	-	-	-	-
21	Budget Payment Plan	-	-	-	-	-	-	-	-
22	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
23	Deferred State Income Taxes	-	-	-	-	-	-	-	-
24	Investment Tax Credit - pre 1971	-	-	-	-	-	-	-	-
25	Rate Base	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000

Illinois-American Water Company
Chicago Metro - Water
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2010

Line No.	Description	Amount
	(a)	(b)
1	Gross Utility Plant in Service	\$ 100,032,409 (1)
2	Weighted Cost of Debt	3.20% (2)
3	Synchronized Interest Per Staff	3,199,020
4	Company Interest Expense	<u>3,220,883 (3)</u>
5	Increase (Decrease) in Interest Expense	<u>(21,863)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 4.107%	<u>\$ 898</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 7,338</u>

(1) Source: Appendix A, Sch 3-CMW, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

Illinois-American Water Company
Chicago Metro - Water
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	<u>0.012000</u>	
3	State Taxable Income		0.988000	1.000000
4	State Income Tax	4.1070%	<u>0.040577</u>	<u>0.041070</u>
5	Federal Taxable Income		0.947423	0.958930
6	Federal Income Tax	35.0000%	<u>0.331598</u>	<u>0.335626</u>
7	Operating Income		<u>0.615825</u>	<u>0.623304</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

Illinois-American Water Company
Chicago Metro - Water
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount ⁽¹⁾	Average Daily Amount (C)/365 (D)	Expense (Lead)/Lag ⁽²⁾ (E)	Cash Requirement (D)*(E) (F)	Source (G)
(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Revenue	\$ 54,588,847				Appendix A, Sch 7-CMW, page 2, line 3
2	Return on Equity	(5,049,732)				Appendix A, Sch 7-CMW, page 2, line 19
3	Non-cash OPEB expenses	-				
4	Uncollectible Accounts	(644,643)				
5	Total Depr/Amortization	(6,608,875)				Appendix A, Sch 7-CMW, page 2, line 13
6						
7	Net Revenues	<u>\$ 42,285,597</u>	\$ 115,851	49.80	\$ 5,769,481	
8						
9	Labor	\$ 4,014,995	11,000	(12.00)	(132,000)	
10	Fuel and Power	310,974	852	(28.51)	(24,290)	
11	Chemicals	28,326	78	(59.65)	(4,629)	
12	Purchased Water	19,602,555	53,706	(25.08)	(1,346,937)	Co. Sch. C-2.9, line 1
13	Waste Disposal	-	-	-	-	
14	Service Company Charges	3,342,187	9,157	11.08	101,456	
15	Group Insurance	1,086,785	2,977	7.42	22,082	
16	OPEB's	-	-	-	-	
17	Pensions	647,841	1,775	(8.00)	(14,199)	
18	Insurance Other than Group	345,493	947	0.00	-	
19	Customer Accounting	372,221	1,020	(46.38)	(47,298)	
20	Rents	554,394	1,519	8.00	12,144	
21	General Office	509,813	1,397	(16.80)	(23,465)	
22	Maintenance	1,918,610	5,256	(23.96)	(125,945)	Appendix A, Sch 7-CMW, page 2, line 16
23	Miscellaneous	1,588,791	4,353	(16.82)	(73,225)	
24						
25	Total O&M Expenses	<u>\$ 34,322,985</u>			(1,656,306)	
26						
27	General Taxes	1,729,358	4,738	(189.75)	(899,029)	
28	Federal Income Tax - Current	2,961,545	8,114	(53.96)	(437,822)	
29	State Income Tax - Current	337,466	925	(53.96)	(49,889)	
30	Deferred Income Taxes	(265,750)	(728)	-	-	
31	Interest Expense	3,199,020	8,764	(90.00)	(788,799)	Appendix A, Sch 5-CMW, line 3
32						
33	Subtotal Other Expenses	<u>\$ 7,961,639</u>			(2,175,540)	
34						
35	Total Cash Working Capital Requirement				<u>\$ 1,937,635</u>	Line 7 + Line 25 + Line 33
36						
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$ 1,938,000				Line 35
38	Cash Working Capital per Company	1,933,000				IAWC Ex. 6.09SR
39						
40	Staff Proposed adjustment	<u>\$ 5,000</u>				

Source:

- (1) Appendix A, Sch 1-CMW, except where noted.
(2) IAWC Ex. 6.09SR, except where noted.

Illinois-American Water Company
Chicago Metro - Water
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount	Source
(A)	(B)	(C)	(D)
1	Total operating revenue	\$ 34,986,292	Appendix A, Sch 1-CMW, line 3, column (i)
2	Surcharge revenue	19,602,555	Co. Sch. C-2.9, line 1
3	Total revenue	<u>\$ 54,588,847</u>	Line 1 + Line 2
4			
5			
6			
7			
8			
9			
10	Depr/amortization per Income Statement	\$ 6,264,777	Appendix A, Sch 1-CMW, line 19, column (i)
11	Amortization of rate case expense	118,787	Appendix A, Sch 1-CMW, line 12, column (i)
12	Reclassify amortization of tank painting	225,311	IAWC Ex. 6.14 R1
13	Total depr/amortization for CWC	<u>\$ 6,608,875</u>	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$ 2,143,921	Appendix A, Sch 1-CMW, line 17, column (i)
15	Reclassify amortization of tank painting	225,311	Line 12
16	Total Maintenance-other for CWC	<u>\$ 1,918,610</u>	Line 14 - Line 15
17	Total Rate Base	\$ 100,032,409	Appendix A, Sch 1-CMW, line 29, column (i)
18	Weighted Cost of Capital	5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	<u>\$ 5,049,732</u>	Line 17 * Line 18

Illinois-American Water Company
Chicago Metro - Sewer
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (Co. Ex. 6.01 R1)	Company Surebuttal Adjustment (Not Applicable)	Interest Synchronization		Company Surrebuttal Case Pro Forma Adjusted (Co. Ex. 6.01 SR)
		(b)	(c)	Staff Rebuttal (Appendix A Sch. 5-CMS)	Company Surrebuttal (IAWC Ex. 6.02 SR)	(f)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Tariff Revenue	\$ 10,482,493	\$ -	\$ -	\$ -	\$ 10,482,493
2	Other Revenue	441,714	-	-	-	441,714
3	Total Operating Revenue	10,924,207	-	-	-	10,924,207
4	Uncollectible Accounts Expense	137,121	-	-	-	137,121
5	Labor	571,650	-	-	-	571,650
6	Fuel & Power	1,118,715	-	-	-	1,118,715
7	Chemicals	55,643	-	-	-	55,643
8	Waste Disposal	460,385	-	-	-	460,385
9	Management Fees	-	-	-	-	-
10	Group Insurance	117,433	-	-	-	117,433
11	Pensions	87,546	-	-	-	87,546
12	Regulatory Expense	87,189	-	-	-	87,189
13	Insurance - other	241,398	-	-	-	241,398
14	Customer Accounting	-	-	-	-	-
15	Rents	362	-	-	-	362
16	General Office Expense	98,248	-	-	-	98,248
17	Maintenance - other	286,183	-	-	-	286,183
18	Miscellaneous	732,197	-	-	-	732,197
19	Depreciation & Amortization	3,296,715	-	-	-	3,296,715
20	Taxes other than Income	517,290	-	-	-	517,290
21	Total Operating Expense					
22	Before Income Taxes	7,808,075	-	-	-	7,808,075
23	State Income Tax	65,754	-	6,670	(5,787)	66,637
24	Federal Income Tax	683,169	-	54,508	(47,289)	690,388
25	Deferred Taxes and ITCs Net	(185,681)	-	-	-	(185,681)
26	Total Operating Expenses	8,371,317	-	61,178	(53,076)	8,379,419
27	NET OPERATING INCOME	\$ 2,552,890	\$ -	\$ (61,178)	\$ 53,076	\$ 2,544,788

Illinois-American Water Company
Chicago Metro - Sewer
Adjustments to Operating Income
For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-CMS)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts Expense	-	-	-	-	-	-	-	-
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	-	-	-	-	-	-	-	-
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	-	-	-	-	-	-	-	-
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	-	(4,000)	-	-	-	-	-	(4,000)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	-	-	-	-	-	-	-	-
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense	-	-	-	-	-	-	-	-
22	Before Income Taxes	-	(4,000)	-	-	-	-	-	(4,000)
23	State Income Tax	5,210	164	-	-	-	-	-	5,374
24	Federal Income Tax	42,573	1,343	-	-	-	-	-	43,916
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
26	Total Operating Expenses	47,783	(2,493)	-	-	-	-	-	45,290
27	NET OPERATING INCOME	\$ (47,783)	\$ 2,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,290)

Illinois-American Water Company
Chicago Metro - Sewer
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case		
		Pro Forma Present Adjusted (Appendix A, Sch 3-CMS, p. 2)	Staff Adjustments (Appendix A Sch 4-CMS)	Staff Pro Forma Rate Base (Col. b+c)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 132,459,200	\$ -	\$ 132,459,200
2	Less: Accumulated Depreciation	(49,948,342)	-	(49,948,342)
3	Net Utility Plant in Service	82,510,858	-	82,510,858
4	Construction Work in Progress	-	\$ -	\$ -
5	Utility Plant Acquisition Adj. - DuPage	63,562	-	63,562
6	Additions to Rate Base			
7	Cash Working Capital	126,000	1,000	127,000
8	Materials & Supplies	16,289	-	16,289
9	Deferred Charges - Tank Painting	-	-	-
10	FAS 109 Reg. Asset-Net of Liability	(6,493)	-	(6,493)
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(1,397,730)	-	(1,397,730)
17	Pension Liability	(78,933)	-	(78,933)
18	OPEB Liability	(140,869)	-	(140,869)
19	Contributions in Aid of Construction	(58,360,510)	-	(58,360,510)
20	Accum. Depr. On CIAC	27,018,513	-	27,018,513
21	Budget Payment Plan	-	-	-
22	Deferred Federal Income Taxes	(3,777,518)	-	(3,777,518)
23	Deferred State Income Taxes	(131,028)	-	(131,028)
24	Investment Tax Credit - pre 1971	(242)	-	(242)
25	Rate Base	<u>\$ 45,841,899</u>	<u>\$ 1,000</u>	<u>\$ 45,842,899</u>

Illinois-American Water Company
Chicago Metro - Sewer
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)	Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 132,459,200	\$ -	\$ 132,459,200
2	Less: Accumulated Depreciation	<u>(49,948,342)</u>	<u>-</u>	<u>(49,948,342)</u>
3	Net Utility Plant in Service	82,510,858	-	82,510,858
4	Construction Work in Progress	\$ -	-	\$ -
5	Utility Plant Acquisition Adj. - DuPage	63,562	-	63,562
6	Additions to Rate Base			
7	Cash Working Capital	123,000	3,000	126,000
8	Materials & Supplies	16,289	-	16,289
9	Deferred Charges - Tank Painting	-	-	-
10	FAS 109 Reg. Asset-Net of Liability	(6,493)	-	(6,493)
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(1,397,730)	-	(1,397,730)
17	Pension Liability	(78,933)	-	(78,933)
18	OPEB Liability	(140,869)	-	(140,869)
19	Contributions in Aid of Construction	(58,360,510)	-	(58,360,510)
20	Accum. Depr. On CIAC	27,018,513	-	27,018,513
21	Budget Payment Plan	-	-	-
22	Deferred Federal Income Taxes	(3,777,518)	-	(3,777,518)
23	Deferred State Income Taxes	(131,028)	-	(131,028)
24	Investment Tax Credit - pre 1971	<u>(242)</u>	<u>-</u>	<u>(242)</u>
25	Rate Base	<u>\$ 45,838,899</u>	<u>\$ 3,000</u>	<u>\$ 45,841,899</u>

Illinois-American Water Company
Chicago Metro - Sewer
Adjustments to Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Cash Working Capital (Appendix A Sch. 7-CMS)	(Source)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Less: Accumulated Depreciation	-	-	-	-	-	-	-	-
3	Net Utility Plant in Service	-	-	-	-	-	-	-	-
4	Construction Work in Progress	-	-	-	-	-	-	-	-
5	Utility Plant Acquisition Adj. - DuPage	-	-	-	-	-	-	-	-
6	Additions to Rate Base								
7	Cash Working Capital	1,000	-	-	-	-	-	-	1,000
8	Materials & Supplies	-	-	-	-	-	-	-	-
9	Deferred Charges - Tank Painting	-	-	-	-	-	-	-	-
10	FAS 109 Reg. Asset-Net of Liability	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	Deductions From Rate Base	-	-	-	-	-	-	-	-
16	Customer Advances	-	-	-	-	-	-	-	-
17	Customer Advances	-	-	-	-	-	-	-	-
18	Pension Liability	-	-	-	-	-	-	-	-
19	Contributions in Aid of Construction	-	-	-	-	-	-	-	-
20	Accum. Depr. On CIAC	-	-	-	-	-	-	-	-
21	Budget Payment Plan	-	-	-	-	-	-	-	-
22	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
23	Deferred State Income Taxes	-	-	-	-	-	-	-	-
24	Investment Tax Credit - pre 1971	-	-	-	-	-	-	-	-
25	Rate Base	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000

Illinois-American Water Company
Chicago Metro - Sewer
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2010

Line No.	Description	Amount
	(a)	(b)
1	Gross Utility Plant in Service	\$ 45,842,899 (1)
2	Weighted Cost of Debt	3.20% (2)
3	Synchronized Interest Per Staff	1,466,049
4	Company Interest Expense	<u>1,592,896 (3)</u>
5	Increase (Decrease) in Interest Expense	<u>(126,847)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 4.107%	<u>\$ 5,210</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 42,573</u>

(1) Source: Appendix A, Sch 3-CMS, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

Illinois-American Water Company
Chicago Metro - Sewer
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	<u>0.012000</u>	
3	State Taxable Income		0.988000	1.000000
4	State Income Tax	4.1070%	<u>0.040577</u>	<u>0.041070</u>
5	Federal Taxable Income		0.947423	0.958930
6	Federal Income Tax	35.0000%	<u>0.331598</u>	<u>0.335626</u>
7	Operating Income		<u>0.615825</u>	<u>0.623304</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

Illinois-American Water Company
Chicago Metro - Sewer
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount ⁽¹⁾	Average Daily Amount (C)/365	Expense (Lead)/Lag ⁽²⁾	Cash Requirement (D)*(E)	Source
(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Revenue	\$ 13,804,524				Appendix A, Sch 7-CMS, page 2, line 3
2	Return on Equity	(2,314,194)				Appendix A, Sch 7-CMS, page 2, line 19
3	Non-cash OPEB expenses	-				
4	Uncollectible Accounts	(162,086)				
5	Total Depr/Amortization	(3,379,904)				Appendix A, Sch 7-CMS, page 2, line 13
6						
7	Net Revenues	<u>\$ 7,948,341</u>	\$ 21,776	49.80	\$ 1,084,478	
8						
9	Labor	\$ 571,650	1,566	(12.00)	(18,794)	
10	Fuel and Power	1,118,715	3,065	(33.47)	(102,585)	
11	Chemicals	55,643	152	(45.29)	(6,904)	
12	Purchased Water	799,873	2,191	-	-	Co. Sch. C-2.9, line 1
13	Waste Disposal	1,260,258	3,453	(41.54)	(143,428)	
14	Service Company Charges	-	-	-	-	
15	Group Insurance	117,433	322	7.42	2,386	
16	OPEB's	-	-	-	-	
17	Pensions	87,546	240	(8.00)	(1,919)	
18	Insurance Other than Group	241,398	661	-	-	
19	Customer Accounting	-	-	(33.36)	-	
20	Rents	362	1	8.00	8	
21	General Office	98,248	269	(17.69)	(4,762)	
22	Maintenance	286,183	784	(25.66)	(20,119)	Appendix A, Sch 7-CMS, page 2, line 16
23	Miscellaneous	732,197	2,006	(16.82)	(33,746)	
24						
25	Total O&M Expenses	<u>\$ 5,369,506</u>			(329,862)	
26						
27	General Taxes	517,290	1,417	(22.80)	(32,313)	
28	Federal Income Tax - Current	1,424,175	3,902	(53.96)	(210,544)	
29	State Income Tax - Current	156,429	429	(53.96)	(23,126)	
30	Deferred Income Taxes	(185,681)	(509)	-	-	
31	Interest Expense	1,466,049	4,017	(90.00)	(361,492)	Appendix A, Sch 5-CMS, line 3
32						
33	Subtotal Other Expenses	<u>\$ 3,378,262</u>			(627,474)	
34						
35	Total Cash Working Capital Requirement				<u>\$ 127,142</u>	Line 7 + Line 25 + Line 33
36						
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$ 127,000				Line 35
38	Cash Working Capital per Company	126,000				IAWC Ex. 6.09SR
39						
40	Staff Proposed adjustment	<u>\$ 1,000</u>				

Source:

- (1) Appendix A, Sch 1-CMS, except where noted.
(2) IAWC Ex. 6.09SR, except where noted.

Illinois-American Water Company
Chicago Metro - Sewer
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount	Source
(A)	(B)	(C)	(D)
1	Total operating revenue	\$ 13,004,651	Appendix A, Sch 1-CMS, line 3, column (i)
2	Surcharge revenue	799,873	Co. Sch. C-2.9, line 1
3	Total revenue	<u>\$ 13,804,524</u>	Line 1 + Line 2
4			
5			
6			
7			
8			
9			
10	Depr/amortization per Income Statement	\$ 3,296,715	Appendix A, Sch 1-CMS, line 19, column (i)
11	Amortization of rate case expense	83,189	Appendix A, Sch 1-CMS, line 12, column (i)
12	Reclassify amortization of tank painting	-	
13	Total depr/amortization for CWC	<u>\$ 3,379,904</u>	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$ 286,183	Appendix A, Sch 1-CMS, line 17, column (i)
15	Reclassify amortization of tank painting	-	Line 12
16	Total Maintenance-other for CWC	<u>\$ 286,183</u>	Line 14 - Line 15
17	Total Rate Base	\$ 45,842,899	Appendix A, Sch 1-CMS, line 29, column (i)
18	Weighted Cost of Capital	5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	<u>\$ 2,314,194</u>	Line 17 * Line 18

[illegible]

Illinois-American Water Company
Pekin
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (Co. Ex. 6.01 R1)	Company Surebuttal Adjustment (Not Applicable)	Interest Synchronization		Company Surrebuttal Case Pro Forma Adjusted (Co. Ex. 6.01 SR)
		(b)	(c)	Staff Rebuttal (Appendix A Sch. 5-P)	Company Surrebuttal (IAWC Ex. 6.02 SR)	(f)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Tariff Revenue	\$ 5,698,476	\$ -	\$ -	\$ -	\$ 5,698,476
2	Other Revenue	151,319	-	-	-	151,319
3	Total Operating Revenue	5,849,795	-	-	-	5,849,795
4	Uncollectible Accounts Expense	68,397	-	-	-	68,397
5	Labor	939,549	-	-	-	939,549
6	Fuel & Power	130,836	-	-	-	130,836
7	Chemicals	39,495	-	-	-	39,495
8	Waste Disposal	-	-	-	-	-
9	Management Fees	1,057,841	-	-	-	1,057,841
10	Group Insurance	240,350	-	-	-	240,350
11	Pensions	148,828	-	-	-	148,828
12	Regulatory Expense	67,093	-	-	-	67,093
13	Insurance - other	185,758	-	-	-	185,758
14	Customer Accounting	119,249	-	-	-	119,249
15	Rents	5,478	-	-	-	5,478
16	General Office Expense	216,529	-	-	-	216,529
17	Maintenance - other	299,328	-	-	-	299,328
18	Miscellaneous	351,618	-	-	-	351,618
19	Depreciation & Amortization	1,219,857	-	-	-	1,219,857
20	Taxes other than Income	463,827	-	-	-	463,827
21	Total Operating Expense					
22	Before Income Taxes	5,554,033	-	-	-	5,554,033
23	State Income Tax	(7,121)	-	355	(391)	(7,157)
24	Federal Income Tax	54,534	-	2,906	(3,197)	54,243
25	Deferred Taxes and ITCs Net	(142,882)	-	-	-	(142,882)
26	Total Operating Expenses	5,458,564	-	3,261	(3,588)	5,458,237
27	NET OPERATING INCOME	\$ 391,231	\$ -	\$ (3,261)	\$ 3,588	\$ 391,558

Illinois-American Water Company
Pekin
Adjustments to Operating Income
For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-P)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	Insurance Expense (Staff Ex. 2.0 Sch. 2.2)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts Expense	-	-	-	-	-	-	-	-
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	-	-	-	-	-	-	-	-
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	-	-	-	-	-	-	-	-
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	-	(3,000)	-	-	-	-	-	(3,000)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	-	-	-	-	-	-	-	-
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense	-	-	-	-	-	-	-	-
22	Before Income Taxes	-	(3,000)	-	-	-	-	-	(3,000)
23	State Income Tax	147	123	-	-	-	-	-	270
24	Federal Income Tax	1,202	1,007	-	-	-	-	-	2,209
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
26	Total Operating Expenses	1,349	(1,870)	-	-	-	-	-	(521)
27	NET OPERATING INCOME	\$ (1,349)	\$ 1,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521

Illinois-American Water Company
Pekin
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company	Staff	Staff
		Surrebuttal Case	Adjustments	Pro Forma
		Pro Forma	(Appendix A	Rate Base
		Present Adjusted	(Appendix A	(Col. b+c)
		(Appendix A,	Sch 4-P)	
		Sch 3-P, p. 2)		
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 30,963,696	\$ -	\$ 30,963,696
2	Less: Accumulated Depreciation	(11,420,241)	-	(11,420,241)
3	Net Utility Plant in Service	19,543,455	-	19,543,455
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Utility Plant Acquisition Adj. - DuPage	-	-	-
6	Additions to Rate Base			
7	Cash Working Capital	209,000	1,000	210,000
8	Materials & Supplies	108,934	-	108,934
9	Deferred Charges - Tank Painting	319,530	-	319,530
10	FAS 109 Reg. Asset-Net of Liability	(4,997)	-	(4,997)
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(1,467,187)	-	(1,467,187)
17	Pension Liability	(134,186)	-	(134,186)
18	OPEB Liability	(108,400)	-	(108,400)
19	Contributions in Aid of Construction	(1,989,417)	-	(1,989,417)
20	Accum. Depr. On CIAC	807,024	-	807,024
21	Budget Payment Plan	-	-	-
22	Deferred Federal Income Taxes	(843,910)	-	(843,910)
23	Deferred State Income Taxes	(29,272)	-	(29,272)
24	Investment Tax Credit - pre 1971	(186)	-	(186)
25	Rate Base	<u>\$ 16,410,388</u>	<u>\$ 1,000</u>	<u>\$ 16,411,388</u>

Illinois-American Water Company
Pekin
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)	Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 30,963,696	\$ -	\$ 30,963,696
2	Less: Accumulated Depreciation	(11,420,241)	-	(11,420,241)
3	Net Utility Plant in Service	19,543,455	-	19,543,455
4	Construction Work in Progress	\$ -	-	\$ -
5	Utility Plant Acquisition Adj. - DuPage	-	-	-
6	Additions to Rate Base			
7	Cash Working Capital	182,000	27,000	209,000
8	Materials & Supplies	108,934	-	108,934
9	Deferred Charges - Tank Painting	319,530	-	319,530
10	FAS 109 Reg. Asset-Net of Liability	(4,997)	-	(4,997)
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(1,467,187)	-	(1,467,187)
17	Pension Liability	(134,186)	-	(134,186)
18	OPEB Liability	(108,400)	-	(108,400)
19	Contributions in Aid of Construction	(1,989,417)	-	(1,989,417)
20	Accum. Depr. On CIAC	807,024	-	807,024
21	Budget Payment Plan	-	-	-
22	Deferred Federal Income Taxes	(843,910)	-	(843,910)
23	Deferred State Income Taxes	(29,272)	-	(29,272)
24	Investment Tax Credit - pre 1971	(186)	-	(186)
25	Rate Base	<u>\$ 16,383,388</u>	<u>\$ 27,000</u>	<u>\$ 16,410,388</u>

Illinois-American Water Company
Pekin
Adjustments to Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Cash Working Capital (Appendix A Sch. 7-P)	(Source)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Rate Base Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Less: Accumulated Depreciation	-	-	-	-	-	-	-	-
3	Net Utility Plant in Service	-	-	-	-	-	-	-	-
4	Construction Work in Progress	-	-	-	-	-	-	-	-
5	Utility Plant Acquisition Adj. - DuPage	-	-	-	-	-	-	-	-
6	Additions to Rate Base								
7	Cash Working Capital	1,000	-	-	-	-	-	-	1,000
8	Materials & Supplies	-	-	-	-	-	-	-	-
9	Deferred Charges - Tank Painting	-	-	-	-	-	-	-	-
10	FAS 109 Reg. Asset-Net of Liability	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	Deductions From Rate Base	-	-	-	-	-	-	-	-
16	Customer Advances								
17	Pension Liability	-	-	-	-	-	-	-	-
18	OPEB Liability	-	-	-	-	-	-	-	-
19	Contributions in Aid of Construction	-	-	-	-	-	-	-	-
20	Accum. Depr. On CIAC	-	-	-	-	-	-	-	-
21	Budget Payment Plan	-	-	-	-	-	-	-	-
22	Deferred Federal Income Taxes	-	-	-	-	-	-	-	-
23	Deferred State Income Taxes	-	-	-	-	-	-	-	-
24	Investment Tax Credit - pre 1971	-	-	-	-	-	-	-	-
25	Rate Base	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000

Illinois-American Water Company
Pekin
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2010

Line No.	Description	Amount
	(a)	(b)
1	Gross Utility Plant in Service	\$ 16,411,388 (1)
2	Weighted Cost of Debt	3.20% (2)
3	Synchronized Interest Per Staff	524,834
4	Company Interest Expense	<u>528,414</u> (3)
5	Increase (Decrease) in Interest Expense	<u>(3,580)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 4.107%	\$ <u>147</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	\$ <u>1,202</u>

(1) Source: Appendix A, Sch 3-P, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

Illinois-American Water Company
Pekin
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	<u>0.012000</u>	
3	State Taxable Income		0.988000	1.000000
4	State Income Tax	4.1070%	<u>0.040577</u>	<u>0.041070</u>
5	Federal Taxable Income		0.947423	0.958930
6	Federal Income Tax	35.0000%	<u>0.331598</u>	<u>0.335626</u>
7	Operating Income		<u>0.615825</u>	<u>0.623304</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

Illinois-American Water Company
Pekin
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount ⁽¹⁾	Average Daily Amount (C)/365 (D)	Expense (Lead)/Lag ⁽²⁾ (E)	Cash Requirement (D)*(E) (F)	Source (G)
(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Revenue	\$ 7,410,915				Appendix A, Sch 7-P, page 2, line 3
2	Return on Equity	(828,463)				Appendix A, Sch 7-P, page 2, line 19
3	Non-cash OPEB expenses	-				
4	Uncollectible Accounts	(87,131)				
5	Total Depr/Amortization	(1,318,103)				Appendix A, Sch 7-P, page 2, line 13
6						
7	Net Revenues	<u>\$ 5,177,218</u>	\$ 14,184	42.31	\$ 600,092	
8						
9	Labor	\$ 939,549	2,574	(12.00)	(30,889)	
10	Fuel and Power	130,836	358	(26.98)	(9,672)	
11	Chemicals	39,495	108	(33.52)	(3,627)	
12	Purchased Water	-	-	0.00	-	
13	Waste Disposal	-	-	0.00	-	
14	Service Company Charges	1,057,841	2,898	11.08	32,112	
15	Group Insurance	240,350	658	7.42	4,884	
16	OPEB's	-	-	-	-	
17	Pensions	148,828	408	(8.00)	(3,262)	
18	Insurance Other than Group	185,758	509	0.00	-	
19	Customer Accounting	119,249	327	(39.62)	(12,944)	
20	Rents	5,478	15	8.00	120	
21	General Office	216,529	593	(13.18)	(7,819)	
22	Maintenance	265,175	727	(18.14)	(13,179)	Appendix A, Sch 7-P, page 2, line 16
23	Miscellaneous	351,618	963	(16.82)	(16,205)	
24						
25	Total O&M Expenses	<u>\$ 3,700,706</u>			(60,482)	
26						
27	General Taxes	463,827	1,271	(83.87)	(106,579)	
28	Federal Income Tax - Current	574,116	1,573	(53.96)	(84,875)	
29	State Income Tax - Current	56,459	155	(53.96)	(8,347)	
30	Deferred Income Taxes	(142,882)	(391)	-	-	
31	Interest Expense	524,834	1,438	(90.00)	(129,411)	Appendix A, Sch 5-P, line 3
32						
33	Subtotal Other Expenses	<u>\$ 1,476,354</u>			(329,211)	
34						
35	Total Cash Working Capital Requirement				<u>\$ 210,399</u>	Line 7 + Line 25 + Line 33
36						
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$ 210,000				Line 35
38	Cash Working Capital per Company	209,000				IAWC Ex. 6.09SR
39						
40	Staff Proposed adjustment	<u>\$ 1,000</u>				

Source:

- (1) Appendix A, Sch 1-P, except where noted.
(2) IAWC Ex. 6.09SR, except where noted.

Illinois-American Water Company
Pekin
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount	Source
(A)	(B)	(C)	(D)
1	Total operating revenue	\$ 7,410,915	Appendix A, Sch 1-P, line 3, column (i)
2	Surcharge revenue	-	Not applicable
3	Total revenue	<u>\$ 7,410,915</u>	Line 1 + Line 2
4			
5			
6			
7			
8			
9			
10	Depr/amortization per Income Statement	\$ 1,219,857	Appendix A, Sch 1-P, line 19, column (i)
11	Amortization of rate case expense	64,093	Appendix A, Sch 1-P, line 12, column (i)
12	Reclassify amortization of tank painting	34,153	IAWC Ex. 6.14 R1
13	Total depr/amortization for CWC	<u>\$ 1,318,103</u>	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$ 299,328	Appendix A, Sch 1-P, line 17, column (i)
15	Reclassify amortization of tank painting	34,153	Line 12
16	Total Maintenance-other for CWC	<u>\$ 265,175</u>	Line 14 - Line 15
17	Total Rate Base	\$ 16,411,388	Appendix A, Sch 1-P, line 29, column (i)
18	Weighted Cost of Capital	5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	<u>\$ 828,463</u>	Line 17 * Line 18

Illinois-American Water Company
Lincoln
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2010

[illegible]

Illinois-American Water Company
Lincoln
Statement of Operating Income with Adjustments
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (Co. Ex. 6.01 R1)	Company Surebuttal Adjustment (Not Applicable)	Interest Synchronization		Company Surebuttal Case Pro Forma Adjusted (Co. Ex. 6.01 SR)
		(b)	(c)	Staff Rebuttal (Appendix A Sch. 5-L)	Company Surebuttal (IAWC Ex. 6.02 SR)	(f)
	(a)	(b)	(c)	(d)	(e)	(f)
1	Tariff Revenue	\$ 3,137,222	\$ -	\$ -	\$ -	\$ 3,137,222
2	Other Revenue	35,299	-	-	-	35,299
3	Total Operating Revenue	3,172,521	-	-	-	3,172,521
4	Uncollectible Accounts Expense	19,556	-	-	-	19,556
5	Labor	510,681	-	-	-	510,681
6	Fuel & Power	199,487	-	-	-	199,487
7	Chemicals	65,163	-	-	-	65,163
8	Waste Disposal	36,873	-	-	-	36,873
9	Management Fees	431,682	-	-	-	431,682
10	Group Insurance	135,980	-	-	-	135,980
11	Pensions	80,869	-	-	-	80,869
12	Regulatory Expense	27,379	-	-	-	27,379
13	Insurance - other	77,102	-	-	-	77,102
14	Customer Accounting	68,831	-	-	-	68,831
15	Rents	20,034	-	-	-	20,034
16	General Office Expense	42,910	-	-	-	42,910
17	Maintenance - other	174,339	-	-	-	174,339
18	Miscellaneous	162,520	-	-	-	162,520
19	Depreciation & Amortization	788,587	-	-	-	788,587
20	Taxes other than Income	199,754	-	-	-	199,754
21	Total Operating Expense					
22	Before Income Taxes	3,041,747	-	-	-	3,041,747
23	State Income Tax	(6,745)	-	83	(95)	(6,757)
24	Federal Income Tax	(1,388)	-	680	(777)	(1,485)
25	Deferred Taxes and ITCs Net	(58,308)	-	-	-	(58,308)
26	Total Operating Expenses	2,975,306	-	763	(872)	2,975,197
27	NET OPERATING INCOME	\$ 197,215	\$ -	\$ (763)	\$ 872	\$ 197,324

Illinois-American Water Company
Lincoln
Adjustments to Operating Income
For the Test Year Ending December 31, 2010

Line No.	Description	Interest Synchronization (Appendix A Sch. 5-L)	Rate Case Expense (Staff Ex. 9.0 Sch. 9.1)	(Source)	(Source)	(Source)	(Source)	(Source)	Total Operating Statement Adjustments
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
1	Tariff Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Miscellaneous Revenue	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	-	-	-	-	-
4	Uncollectible Accounts Expense	-	-	-	-	-	-	-	-
5	Labor	-	-	-	-	-	-	-	-
6	Fuel & Power	-	-	-	-	-	-	-	-
7	Chemicals	-	-	-	-	-	-	-	-
8	Waste Disposal	-	-	-	-	-	-	-	-
9	Management Fees	-	-	-	-	-	-	-	-
10	Group Insurance	-	-	-	-	-	-	-	-
11	Pensions	-	-	-	-	-	-	-	-
12	Regulatory Expense	-	(1,000)	-	-	-	-	-	(1,000)
13	Insurance - other	-	-	-	-	-	-	-	-
14	Customer Accounting	-	-	-	-	-	-	-	-
15	Rents	-	-	-	-	-	-	-	-
16	General Office Expense	-	-	-	-	-	-	-	-
17	Maintenance - other	-	-	-	-	-	-	-	-
18	Miscellaneous	-	-	-	-	-	-	-	-
19	Depreciation & Amortization	-	-	-	-	-	-	-	-
20	Taxes other than Income	-	-	-	-	-	-	-	-
21	Total Operating Expense	-	-	-	-	-	-	-	-
22	Before Income Taxes	-	(1,000)	-	-	-	-	-	(1,000)
23	State Income Tax	83	41	-	-	-	-	-	124
24	Federal Income Tax	680	336	-	-	-	-	-	1,016
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-
26	Total Operating Expenses	763	(623)	-	-	-	-	-	140
27	NET OPERATING INCOME	\$ (763)	\$ 623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (140)

Illinois-American Water Company
Lincoln
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Surrebuttal Case			Staff Pro Forma Rate Base (Col. b+c)
		Pro Forma Present Adjusted (Appendix A, Sch 3-L, p. 2)	Staff Adjustments (Appendix A Sch 4-L)		
	(a)	(b)	(c)		(d)
1	Gross Utility Plant in Service	\$ 21,971,432	\$ -	\$	21,971,432
2	Less: Accumulated Depreciation	(10,888,302)	-		(10,888,302)
3	Net Utility Plant in Service	11,083,130	-		11,083,130
4	Construction Work in Progress	\$ -	\$ -	\$	-
5	Utility Plant Acquisition Adj. - DuPage	-	-		-
6	Additions to Rate Base				
7	Cash Working Capital	136,000	-		136,000
8	Materials & Supplies	53,347	-		53,347
9	Deferred Charges - Tank Painting	244,697	-		244,697
10	FAS 109 Reg. Asset-Net of Liability	(2,039)	-		(2,039)
11		-	-	-	-
12		-	-	-	-
13		-	-	-	-
14		-	-	-	-
15	Deductions From Rate Base	-	-		
16	Customer Advances	(992,918)	-		(992,918)
17	Pension Liability	(71,039)	-		(71,039)
18	OPEB Liability	(44,236)	-		(44,236)
19	Contributions in Aid of Construction	(774,300)	-		(774,300)
20	Accum. Depr. On CIAC	220,754	-		220,754
21	Budget Payment Plan	-	-		-
22	Deferred Federal Income Taxes	(623,331)	-		(623,331)
23	Deferred State Income Taxes	(21,621)	-		(21,621)
24	Investment Tax Credit - pre 1971	(76)	-		(76)
25	Rate Base	<u>\$ 9,208,368</u>	<u>\$ -</u>	<u>\$</u>	<u>9,208,368</u>

Illinois-American Water Company
Lincoln
Rate Base
For the Test Year Ending December 31, 2010

Line No.	Description	Company Rebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 R1 FR)	Company Surrebuttal Adjustments (IAWC Ex. 6.04 SR)	Company Surrebuttal Case Pro Forma Adjusted (IAWC Ex. 6.03 SR)
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 21,971,432	\$ -	\$ 21,971,432
2	Less: Accumulated Depreciation	(10,888,302)	-	(10,888,302)
3	Net Utility Plant in Service	11,083,130	-	11,083,130
4	Construction Work in Progress	\$ -	-	\$ -
5	Utility Plant Acquisition Adj. - DuPage	-	-	-
6	Additions to Rate Base			
7	Cash Working Capital	127,000	9,000	136,000
8	Materials & Supplies	53,347	-	53,347
9	Deferred Charges - Tank Painting	244,697	-	244,697
10	FAS 109 Reg. Asset-Net of Liability	(2,039)	-	(2,039)
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15	Deductions From Rate Base	-	-	-
16	Customer Advances	(992,918)	-	(992,918)
17	Pension Liability	(71,039)	-	(71,039)
18	OPEB Liability	(44,236)	-	(44,236)
19	Contributions in Aid of Construction	(774,300)	-	(774,300)
20	Accum. Depr. On CIAC	220,754	-	220,754
21	Budget Payment Plan	-	-	-
22	Deferred Federal Income Taxes	(623,331)	-	(623,331)
23	Deferred State Income Taxes	(21,621)	-	(21,621)
24	Investment Tax Credit - pre 1971	(76)	-	(76)
25	Rate Base	<u>\$ 9,199,368</u>	<u>\$ 9,000</u>	<u>\$ 9,208,368</u>

[illegible]

Illinois-American Water Company
Lincoln
Interest Synchronization Adjustment
For the Test Year Ending December 31, 2010

Line No.	Description	Amount
	(a)	(b)
1	Gross Utility Plant in Service	\$ 9,208,368 (1)
2	Weighted Cost of Debt	3.20% (2)
3	Synchronized Interest Per Staff	294,482
4	Company Interest Expense	<u>296,509 (3)</u>
5	Increase (Decrease) in Interest Expense	<u>(2,027)</u>
6	Increase (Decrease) in State Income Tax Expense	
7	at 4.107%	<u>\$ 83</u>
8	Increase (Decrease) in Federal Income Tax Expense	
9	at 35.000%	<u>\$ 680</u>

(1) Source: Appendix A, Sch 3-L, Column (d)

(2) Source: ICC Staff Exhibit 10.0, Schedule 10.1

(3) Source: Company Rebuttal Schedule - IAWC Ex. 6.05 SR

Illinois-American Water Company
Lincoln
Gross Revenue Conversion Factor
For the Test Year Ending December 31, 2010

Line No.	Description	Rate	Per Staff With Bad Debts	Per Staff Without Bad Debts
	(a)	(b)	(c)	(d)
1	Revenues		1.000000	
2	Uncollectibles	1.2000%	<u>0.012000</u>	
3	State Taxable Income		0.988000	1.000000
4	State Income Tax	4.1070%	<u>0.040577</u>	<u>0.041070</u>
5	Federal Taxable Income		0.947423	0.958930
6	Federal Income Tax	35.0000%	<u>0.331598</u>	<u>0.335626</u>
7	Operating Income		<u>0.615825</u>	<u>0.623304</u>
8	Gross Revenue Conversion Factor Per Staff		<u>1.623838</u>	<u>1.604354</u>

Illinois-American Water Company
Lincoln
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount ⁽¹⁾	Average Daily Amount (C)/365	Expense (Lead)/Lag ⁽²⁾	Cash Requirement (D)*(E)	Source
(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	Revenue	\$ 4,085,500				Appendix A, Sch 7-L, page 2, line 3
2	Return on Equity	(464,847)				Appendix A, Sch 7-L, page 2, line 19
3	Non-cash OPEB expenses	-				
4	Uncollectible Accounts	(30,512)				
5	Total Depr/Amortization	(836,416)				Appendix A, Sch 7-L, page 2, line 13
6						
7	Net Revenues	<u>\$ 2,753,725</u>	\$ 7,544	47.13	\$ 355,548	
8						
9	Labor	\$ 510,681	1,399	(12.00)	(16,790)	
10	Fuel and Power	199,487	547	(25.06)	(13,696)	
11	Chemicals	65,163	179	(32.02)	(5,716)	
12	Purchased Water	-	-		-	
13	Waste Disposal	36,873	101	39.70	4,011	
14	Service Company Charges	431,682	1,183	11.08	13,104	
15	Group Insurance	135,980	373	7.42	2,763	
16	OPEB's	-	-	(7.00)	-	
17	Pensions	80,869	222	(8.00)	(1,772)	
18	Insurance Other than Group	77,102	211	0.00	-	
19	Customer Accounting	68,831	189	(47.88)	(9,029)	
20	Rents	20,034	55	8.00	439	
21	General Office	42,910	118	(18.40)	(2,163)	
22	Maintenance	152,889	419	(31.31)	(13,115)	Appendix A, Sch 7-L page 2, line 16
23	Miscellaneous	162,520	445	(16.82)	(7,490)	
24						
25	Total O&M Expenses	<u>\$ 1,985,021</u>			(49,456)	
26						
27	General Taxes	199,754	547	(87.38)	(47,821)	
28	Federal Income Tax - Current	302,273	828	(53.96)	(44,687)	
29	State Income Tax - Current	30,413	83	(53.96)	(4,496)	
30	Deferred Income Taxes	(58,308)	(160)	-	-	
31	Interest Expense	294,482	807	(90.00)	(72,612)	Appendix A, Sch 5-L, line 3
32						
33	Subtotal Other Expenses	<u>\$ 768,614</u>			(169,615)	
34						
35	Total Cash Working Capital Requirement				<u>\$ 136,477</u>	Line 7 + Line 25 + Line 33
36						
37	Cash Working Capital per Staff (Rounded to nearest \$1,000)	\$ 136,000				Line 35
38	Cash Working Capital per Company	136,000				IAWC Ex. 6.09SR
39						
40	Staff Proposed adjustment	<u>\$ -</u>				

Source:

(1) Appendix A, Sch 1-L except where noted.

(2) IAWC Ex. 6.09SR, except where noted.

Illinois-American Water Company
Lincoln
Cash Working Capital Adjustment
For the Test Year Ending December 31, 2010

Line No.	Item	Amount	Source
(A)	(B)	(C)	(D)
1	Total operating revenue	\$ 4,085,500	Appendix A, Sch 1-L, line 3, column (i)
2	Surcharge revenue	-	Not applicable
3	Total revenue	<u>\$ 4,085,500</u>	Line 1 + Line 2
4			
5			
6			
7			
8			
9			
10	Depr/amortization per Income Statement	\$ 788,587	Appendix A, Sch 1-L, line 19, column (i)
11	Amortization of rate case expense	26,379	Appendix A, Sch 1-L, line 12, column (i)
12	Reclassify amortization of tank painting	21,450	IAWC Ex. 6.14 R1
13	Total depr/amortization for CWC	<u>\$ 836,416</u>	Sum of lines 10 through 12
14	Maintenance-other per Income Statement	\$ 174,339	Appendix A, Sch 1-L, line 17, column (i)
15	Reclassify amortization of tank painting	21,450	Line 12
16	Total Maintenance-other for CWC	<u>\$ 152,889</u>	Line 14 - Line 15
17	Total Rate Base	\$ 9,208,368	Appendix A, Sch 1-L, line 29, column (i)
18	Weighted Cost of Capital	5.0481%	Staff Ex. 10.0, Sch. 10.1
19	Return on equity deduction from revenue	<u>\$ 464,847</u>	Line 17 * Line 18